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FAITH M. DECKER
Key Account Manager

1130 Lake Cook Road
Suite 210
Buffalo Grove, IL 60089
(847)459-1750
FAX (847)459-5992
VM #61071

N

October 31, 1998

To: Mary Anne Terry
Larry Horan
Bill Kirch
Joe Darcy
Linda Forrey
George Moulton
Mike Bothe

Sue Meyers
Joe Ademino
Tom Melendy
Jim Sunday
Julio Santiago
Bob Fricke

Dave Engelbrecht
Dean Brendel
Brenda Whinery-Casdorph
Larry Pelton
John DiCiero
Stefan Majer

Subject: Coordination of RJR / Amoco RBU Retail Partners Plan

Ladies & Gentlemen:

As information, we have reached a tentative agreement with Amoco to begin implementation of our Retail Partners plan in January of 1998. This contract will be a two company agreement - R. J. Reynolds and Philip Morris only.

Due to the wide variety of Amoco store layouts, we have determined with Regional Managers, that it will be necessary for us to use an experienced RJR person to work with the local Amoco RBU merchandising coordinator, to develop agreeable display placement positions. Therefore, you have been selected by your Regional Manager to be our local Amoco RBU contact. Your only responsibility will be to meet with Amoco's "Merchandising Coordinator" on an on-going basis for compliance issues, as well as to coordinate and follow through with the initial roll-out of our merchandising contract program. All promotions and selling functions will be handled by myself.

The first step in this process will be for you to review the attached list and determine who in our organization will survey the sites, along with the Amoco merchandising contact (this could be yourself, a Retail Manager, or an experienced Sales Rep). After you determine who will be doing the surveys, you should arrange for a meeting, with the Amoco Merchandising coordinator, the RJR individual selected to survey the sites, and yourself. This meeting will be to discuss all details relative to set up dates for completing surveys.

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RJR Coordinator Responsibilities

- 1) Determine with your Amoco contact the display locations using the attached examples as a strong guideline. Complete the counter layout, using a copy of the blank Cigarette Counter Layout form provided (make copies as needed), with agreed upon display placements. We realize that there are stores that do not fit the examples provided and will require your knowledge and expertise in order to work through the display placements.
- 2) Store diagrams should be completed with the following information only:
 - RJR and PM display placements (designate counter or suction cup display)
 - Show Security glass (if any)
 - Primary and Secondary Pay Windows
 - Store Number, Address, and Chain ID#
 - Fixture Legend (Ensure Name Of Tobacco Company and Number Of Facings Is Included For Each Display-Use Examples As A Guide)
- 3) You should collect all plan-o-grams from RJR personnel doing the surveys. Maintain one (1) copy for yourself, one (1) copy for distribution to the retail rep, one (1) copy for the retail manager and forward one (1) copy to me, as soon as possible (contract determination will be based on these plan-o-grams), at the listed address or fax:

R. J. Reynolds Tobacco
W238 N7037 Michele Lane
Sussex, WI 53089
FAX: (414) 820-8727
- 4) Determine if displays should be sent to the store or to the retail reps storage.
- 5) You are to order displays, for implementation beginning in January, using the enclosed commodity numbers. The displays will contain all POS needed.
- 6) Communicate installation dates, details, and handwritten plan-o-grams to retail reps, as well as where and when the displays will be shipped (copy retail mgrs).
 - Contracts will be entered on SIS, by this office, based on plan-o-grams (self serve/non-self serve), with an effective date of January 1998.
- 7) Ensure placement completion by retail rep upon delivery.

Amoco has also requested that we provide them with the following information:

1. The current number of individual SKU's (cigarette brand styles) being stocked and the current size of the PM Overhead being used. Amoco would like to increase their SKU capacity where necessary. Please survey each location and indicate the if the store could potentially place a larger PM overhead.

Example: 100 SKU's Current Overhead Capacity - Store Could Potentially Accommodate Two (2) 4' PM Overhead Units

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2. *Determine Outside Cigarette Sign Capabilities:*

A. *Does Site Have Building Sign Frames? If So How Many?*

B. *Are Perimeter Light Pole Signs Feasible And Legal? If So How Many Poles Are Available For Affixing Cigarette Pole Signs? Cigarette Signs may be Attached Under An Existing Perimeter Pole Sign Which Are Used For Amoco Products.*

C. *Is It Legal To Have Ground Mounts At This Site?*

Amoco forms to complete these tasks are included in the package and should be returned to me when completed at the listed address or FAX:

R. J. Reynolds Tobacco Company
W238 N7037 Michele Lane
Sussex, WI 53089
FAX: (414) 820-8727

Due to other projects being given to the Amoco Merchandising Coordinator's, we will be attempting to complete all surveys in November, therefore, we must begin immediately.

Your roll is critical in the plan-o-gram determination and execution of this process. Therefore, I would like to give you the opportunity to discuss with me the details, and answer any questions you may have. Below is a schedule of times for you to contact me at my office on Monday, November 3, 1997; (847)-459-1750. This will allow you time to read this information and formulate any questions you may have.

RJR Coordinator

Mary Anne Terry

Sue Meyers

Dave Engelbrecht

Larry Horan

Joe Ademino

Dean Brendel

Brenda Whinery-Casdorph

Bill Kirsch

Tom Melendy

Mike Bothe

Joe Darcy

Jim Sunday

Larry Pelton

Linda Forrey

Julio Santiago

John DiCiero

George Moulton

Bob Fricke

Stefan Majer

Time

10:55 a.m. CST

11:20 a.m. CST

11:45 a.m. CST

3:40 p.m. EST

3:05 p.m. CST

3:30 p.m. CST

2:55 p.m. MST

3:20 p.m. MST

9:00 a.m. EST

9:25 a.m. EST

9:50 a.m. EST

10:15 a.m. EST

10:40 a.m. EST

11:05 a.m. EST

11:30 a.m. EST

2:00 p.m. EST

2:25 p.m. EST

2:50 p.m. EST

3:15 p.m. EST

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Due to the necessity of talking with each of you, please try to keep within your scheduled time. If you are unable to call me on Monday, November 3rd, please let me know via voice mail (#61071) so we can make other arrangements.

It is imperative that I be informed of your progress no later than December 1st, therefore, please E-mail me the completion dates of surveys, when displays were ordered and if there will be any problems placing the displays in January.

I will send a letter to retail reps, this week, top lining the Amoco program and making them aware that you will be providing them with plan-o-grams and detailed information of the implementation process.

Both Amoco and R. J. Reynolds are anxious to begin the survey process, order displays, and begin implementation in January. I realize that this is a stretch for all of us, but it will be well worth everyone's efforts.

Thanks so much!

Sincerely,

Faith

F. M. Decker
Key Account Manager

FMD:dr
Enclosures

Package Includes:

Amoco Authorized Display Options & Commodity Numbers
Amoco Store List
Amoco / RJR Merchandising Coordinator List
Letter From Amoco Headquarters To Amoco Personnel
10 Store Layout Examples
Blank Store Layout Sheet
Amoco Survey Form

(Make Copies Of Any Or All Materials As Needed)

cc: Jim Maguire
AVP's
Region Managers *1200 No Amoco Surveys*
Bill Duffy
Jack Geeting
Ken Hagler, Amoco RBU

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